#### 9 VAC 5 CHAPTER 140. REGULATION FOR EMISSIONS TRADING.

## PART IV. SO<sub>2</sub> Annual Trading Program.

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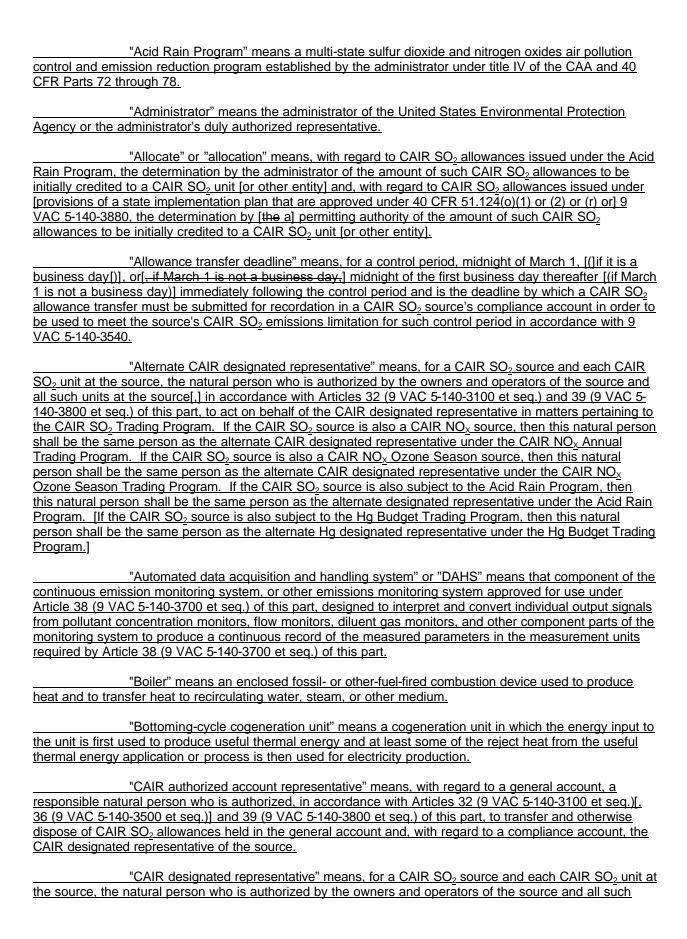
# Article 31. CAIR SO<sub>2</sub> Trading Program General Provisions.

#### 9 VAC 5-140-3010. Purpose.

This part establishes general provisions and the designated representative, permitting, allowance, monitoring, and opt-in provisions for the State Clean Air Interstate Rule (CAIR) SO<sub>2</sub> Trading Program, under § 110 of the Clean Air Act and 40 CFR 51.124, as a means of mitigating interstate transport of fine particulates and sulfur dioxide. The board authorizes the administrator to assist the board in implementing the CAIR SO<sub>2</sub> Trading Program by carrying out the functions set forth for the administrator in this part.

## 9 VAC 5-140-3020. Definitions.

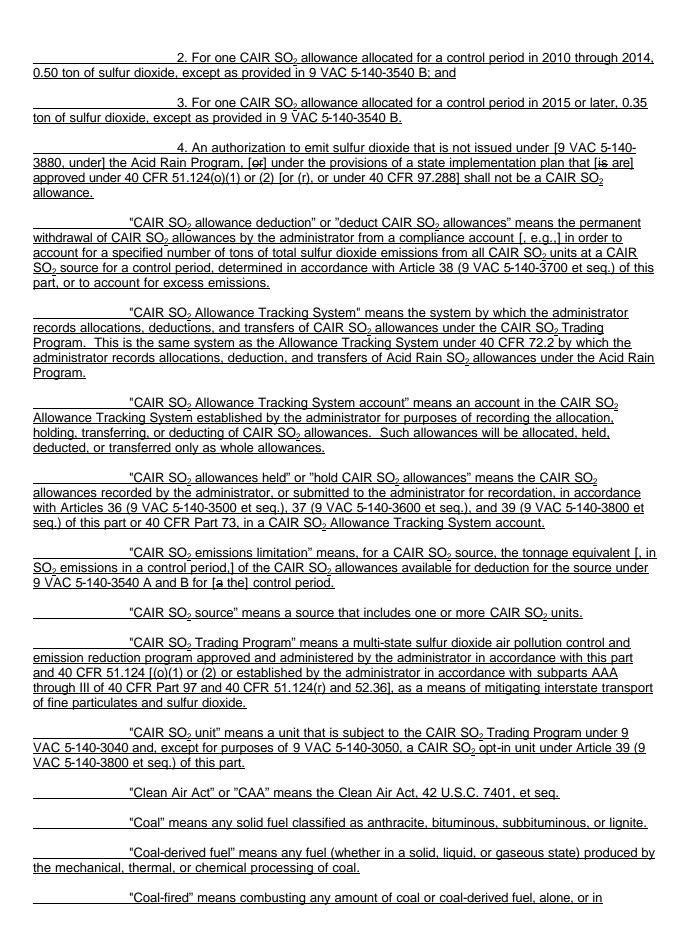
- A. As used in this part, all words or terms not defined here shall have the meaning given them in 9 VAC 5 Chapter 10 (9 VAC 5-10-10 et seq.), unless otherwise required by context.
- B. For the purpose of this part and any related use, the words or terms shall have the meaning given them in this subsection.
- "Account number" means the identification number given by the administrator to each CAIR SO<sub>2</sub> Allowance Tracking System account.
- "Acid Rain emissions limitation" means a limitation on emissions of sulfur dioxide or nitrogen oxides under the Acid Rain Program.

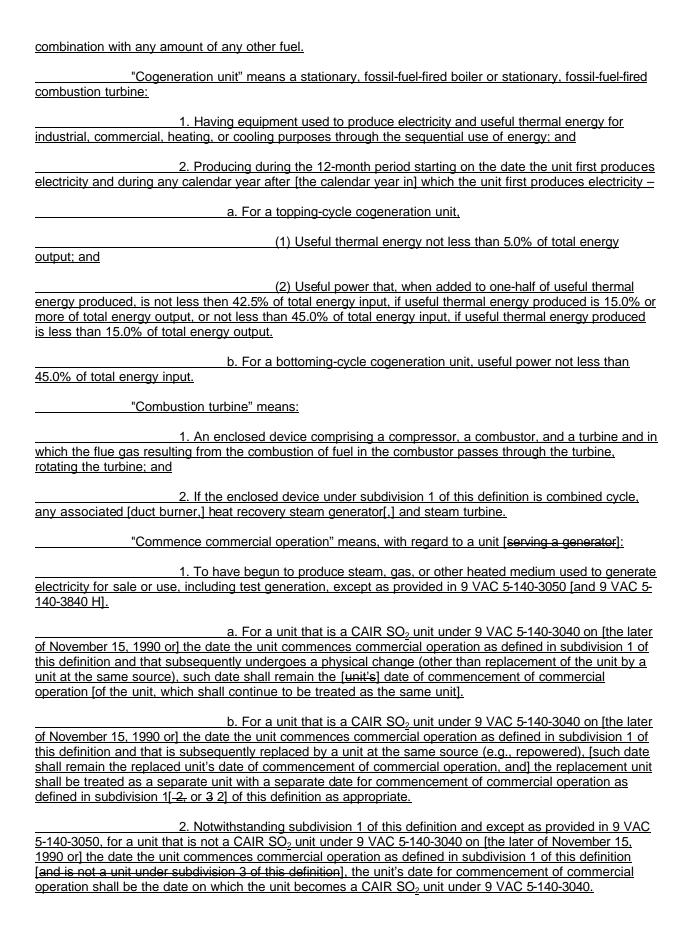


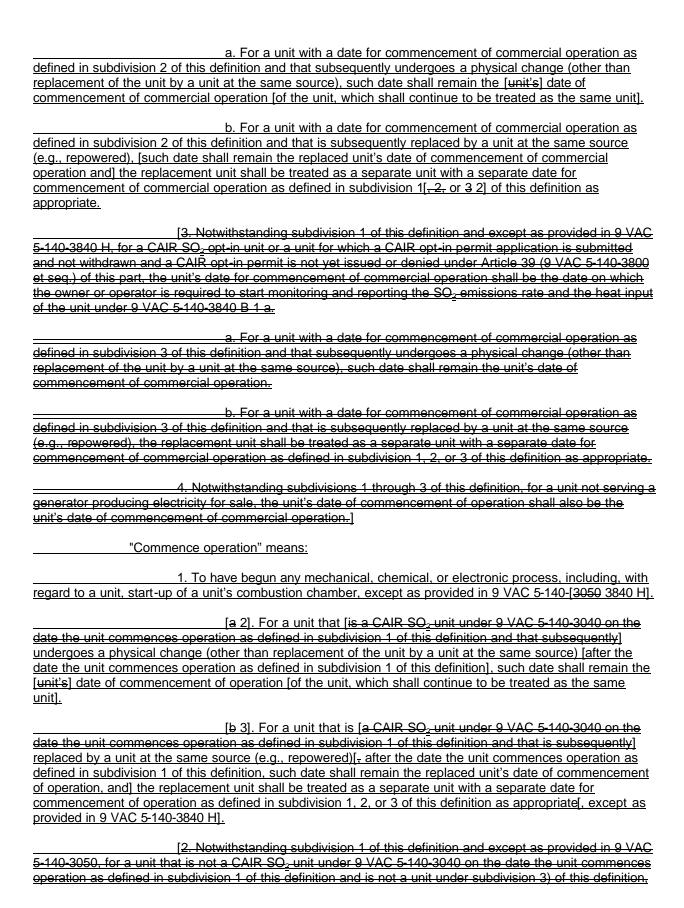
units at the source, in accordance with Articles 32 (9 VAC 5-140-3100 et seq.) and 39 (9 VAC 5-140-3800 et seq.) of this part, to represent and legally bind each owner and operator in matters pertaining to the CAIR SO<sub>2</sub> Trading Program. If the CAIR SO<sub>2</sub> source is also a CAIR NO<sub>x</sub> source, then this natural person shall be the same person as the CAIR designated representative under the CAIR NO<sub>x</sub> Annual Trading Program. If the CAIR SO<sub>2</sub> source is also a CAIR NO<sub>x</sub> Ozone Season source, then this natural person shall be the same person as the CAIR designated representative under the CAIR NO<sub>x</sub> Ozone Season Trading Program. If the CAIR SO<sub>2</sub> source is also subject to the Acid Rain Program, then this natural person shall be the same person as the designated representative under the Acid Rain Program. [If the CAIR SO<sub>2</sub> source is also subject to the Hg Budget Trading Program, then this natural person shall be the same person as the Hg designated representative under the Hg Budget Trading Program.] "CAIR NO<sub>x</sub> Annual Trading Program" means a multi-state nitrogen oxides air pollution control and emission reduction program approved and administered by the administrator in accordance with [this part Part II (9 VAC 5-140-1010 et seq.) of this chapter] and 40 CFR 51.123 [(o)(1) or (2) or established by the administrator in accordance with subparts AA through II of 40 CFR Part 97 and 40 CFR 51.123(p) and 52.35], as a means of mitigating interstate transport of fine particulates and nitrogen oxides. "CAIR NO<sub>x</sub> Ozone Season source" means a source that [includes one or more is subject to thel CAIR NO<sub>x</sub> Ozone Season [units Trading Program]. "CAIR NO<sub>x</sub> Ozone Season Trading Program" means a multi-state nitrogen oxides air pollution control and emission reduction program approved and administered by the administrator in accordance with Part III [(9 VAC 5-140-2010 et seq.)] of this chapter and 40 CFR 51.123 [(aa)(1) or (2) and (bb)(1), (bb)(2), or (dd) or established by the administrator in accordance with subparts AAAA through IIII of 40 CFR Part 97 and 40 CFR 51.123(ee) and 52.35], as a means of mitigating interstate transport of ozone and nitrogen oxides. ["CAIR NO<sub>x</sub> Ozone Season unit" means a unit that is subject to the CAIR NO<sub>x</sub> Ozone Season Trading Program under 9 VAC 5-140-2040 and a CAIR NO<sub>x</sub> Ozone Season opt-in unit under Article 29 (9 VAC 5-140-2800 et seg.) of Part III of this chapter. "CAIR NO<sub>x</sub> source" means a source that [includes one or more is subject to the] CAIR NO<sub>x</sub> [units Annual Trading Program]. ["CAIR NO<sub>x</sub> unit" means a unit that is subject to the CAIR NO<sub>x</sub> Annual Trading Program under 9 VAC 5-140-1040 and a CAIR NO<sub>x</sub> opt-in unit under Article 19 (9 VAC 5-140-1800 et seq.) of Part II of this chapter.] "CAIR permit" means the [terms and conditions in a] title V operating permit or state operating permit, issued by the permitting authority under Article 33 (9 VAC 5-140-3200 et seq.) of this part, including any permit revisions, specifying the CAIR SO<sub>2</sub> Trading Program requirements applicable to a CAIR SO<sub>2</sub> source, to each CAIR SO<sub>2</sub> unit at the source, and to the owners and operators and the CAIR designated representative of the source and each such unit. "CAIR SO<sub>2</sub> allowance" means a limited authorization issued by the administrator under the Acid Rain Program, or by a permitting authority under 9 VAC 5-140-3880[, provisions of an implementation plan that are approved under 40 CFR 51.124(o)(1) or (2) or (r), or 40 CFR 97.288], to emit sulfur dioxide during the control period of the specified calendar year for which the authorization is allocated or of any calendar year thereafter under the CAIR SO<sub>2</sub> Trading Program as specified in subdivisions 1 through 3 of this definition. No provision of the CAIR SO<sub>2</sub> Annual Trading Program, the CAIR permit application, the CAIR permit, or an exemption under 9 VAC 5-140-3040 B or 9 VAC 5-140-3050 and no provision of law shall be construed to limit the authority of the United States or the board to terminate or limit such authorization, which does not constitute a property right.

one ton of sulfur dioxide, except as provided in 9 VAC 5-140-3540 B;

1. For one CAIR SO<sub>2</sub> allowance allocated for a control period in a year before 2010,

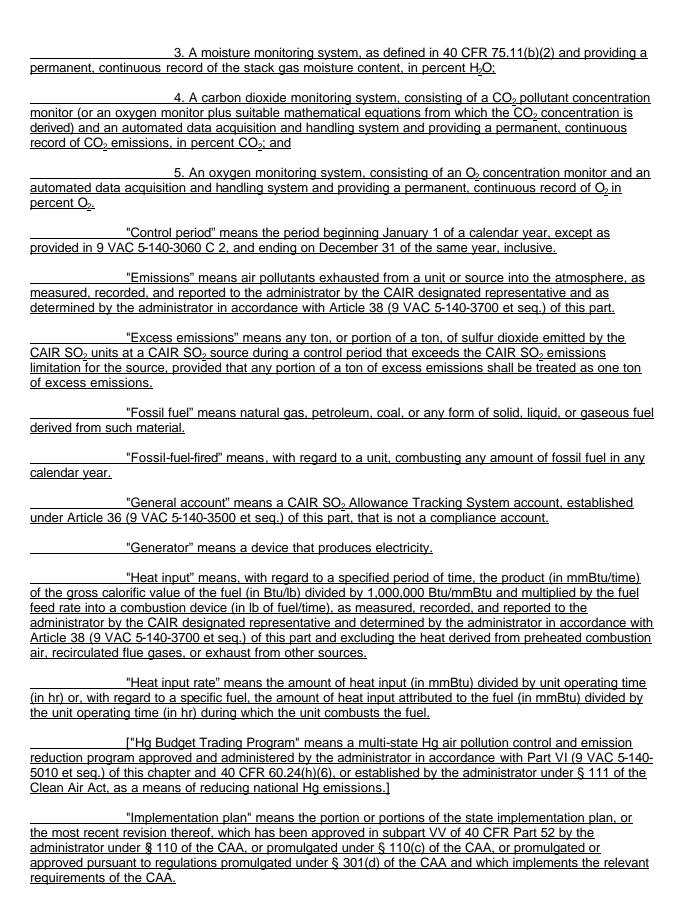


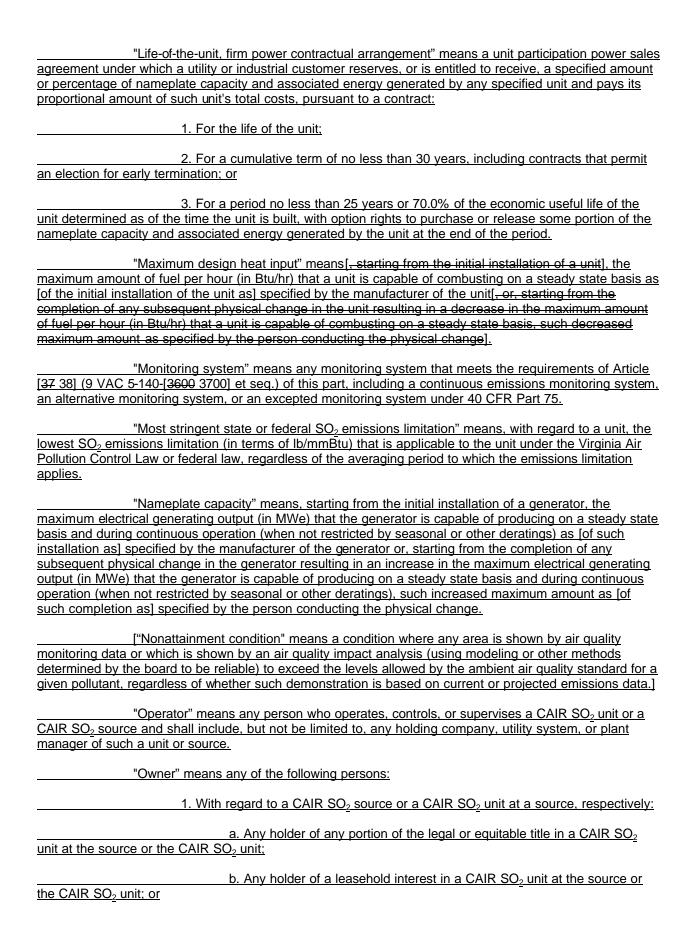


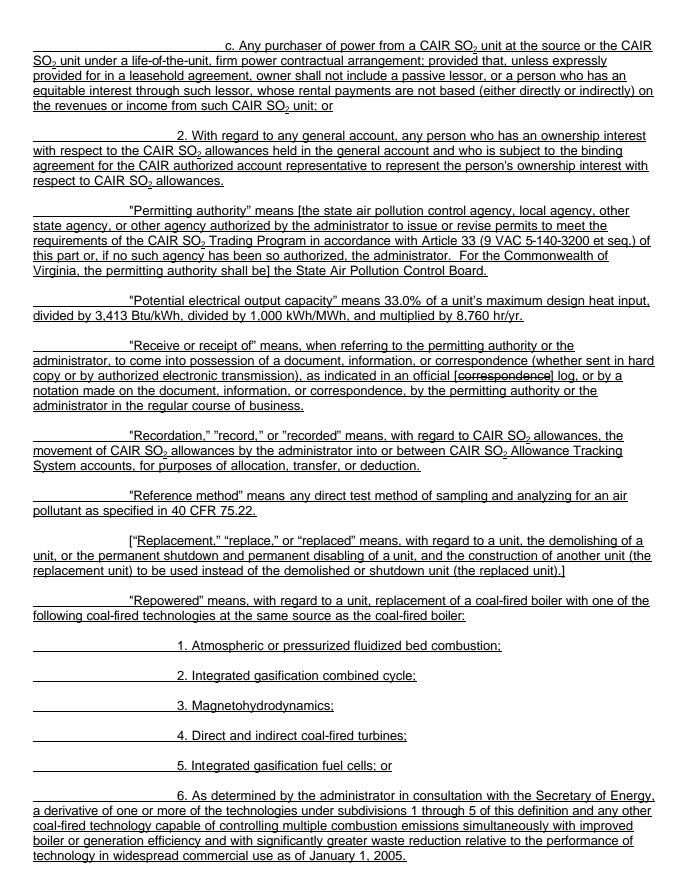


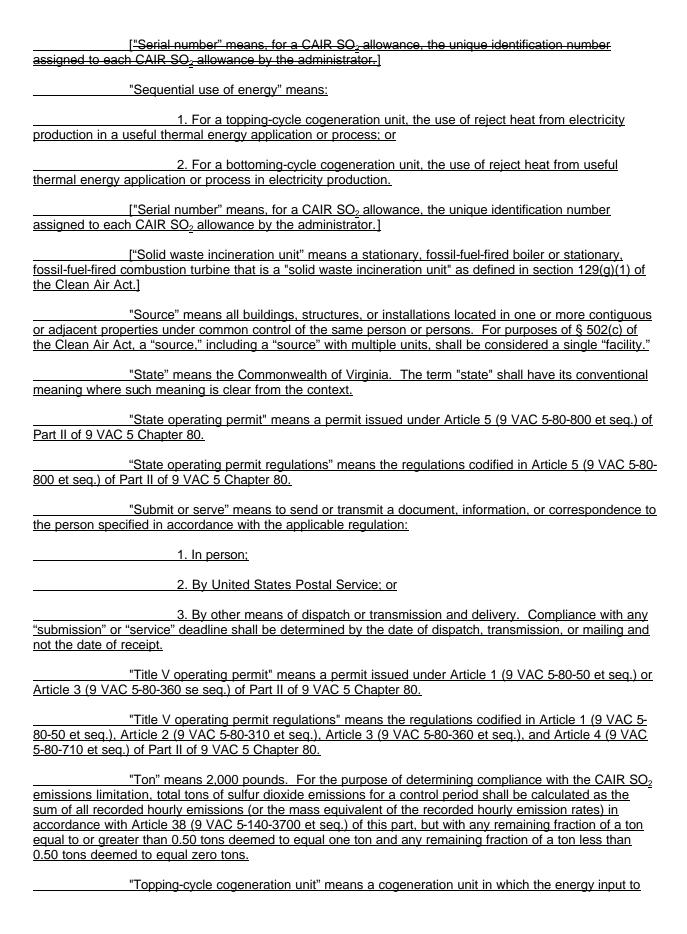
under 9 VAC 5-140-3040. a. For a unit with a date for commencement of operation as defined in subdivision 2 of this definition and that subsequently undergoes a physical change (other than replacement of the unit by a unit at the same source), such date shall remain the unit's date of commencement of operation. b. For a unit with a date for commencement of operation as defined in subdivision 2 of this definition and that is subsequently replaced by a unit at the same source (e.g., repowered), the replacement unit shall be treated as a separate unit with a separate date for commencement of operation as defined in subdivision 1, 2, or 3 of this definition as appropriate. 3. Notwithstanding subdivision 1 of this definition and except as provided in 9 VAC 5-130-3840 H. for a CAIR SO opt-in unit or a unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under Article 39 (9 VAC 5-140-3800 et seq.) of this part, the unit's date for commencement of operation shall be the date on which the owner or operator is required to start monitoring and reporting the SO<sub>2</sub> emissions rate and the heat input of the unit under 9 VAC 5-140-3840 B 1 a. a. For a unit with a date for commencement of operation as defined in subdivision 3 of this definition and that subsequently undergoes a physical change (other than replacement of the unit by a unit at the same source), such date shall remain the unit's date of commencement of operation. b. For a unit with a date for commencement of operation as defined in subdivision 3 of this definition and that is subsequently replaced by a unit at the same source (e.g., repowered), the replacement unit shall be treated as a separate unit with a separate date for commencement of operation as defined in subdivisions 1, 2, or 3 of this definition as appropriate.] "Common stack" means a single flue through which emissions from two or more units are exhausted. "Compliance account" means a CAIR SO<sub>2</sub> Allowance Tracking System account, established by the administrator for a CAIR SO<sub>2</sub> source subject to an Acid Rain emissions limitations under 40 CFR 73.31(a) or (b) or for any other CAIR SO<sub>2</sub> source under Article 36 (9 VAC 5-140-3500 et seq.) or Article 39 (9 VAC 5-140-3800 et seq.) of this part, in which any CAIR SO<sub>2</sub> allowance allocations for the CAIR SO<sub>2</sub> units at the source are initially recorded and in which are held any CAIR SO<sub>2</sub> allowances available for use for a control period in order to meet the source's CAIR SO<sub>2</sub> emissions limitation in accordance with 9 VAC 5-140-3540. "Continuous emission monitoring system" or "CEMS" means the equipment required under Article 38 (9 VAC 5-140-3700 et seq.) of this part to sample, analyze, measure, and provide, by means of readings recorded at least once every 15 minutes (using an automated data acquisition and handling system (DAHS)), a permanent record of sulfur dioxide emissions, stack gas volumetric flow rate, stack gas moisture content, and oxygen or carbon dioxide concentration (as applicable), in a manner consistent with 40 CFR Part 75. The following systems are the principal types of continuous emission monitoring systems required under Article 38 (9 VAC 5-140-3700 et seg.) of this part: 1. A flow monitoring system, consisting of a stack flow rate monitor and an automated data acquisition and handling system and providing a permanent, continuous record of stack gas volumetric flow rate, in standard cubic feet per hour (scfh); 2. A sulfur dioxide monitoring system, consisting of a SO<sub>2</sub> pollutant concentration monitor and an automated data acquisition [and] handling system and providing a permanent, continuous record of SO<sub>2</sub> emissions, in parts per million (ppm);

the unit's date for commencement of operation shall be the date on which the unit becomes a CAIR SO2 unit

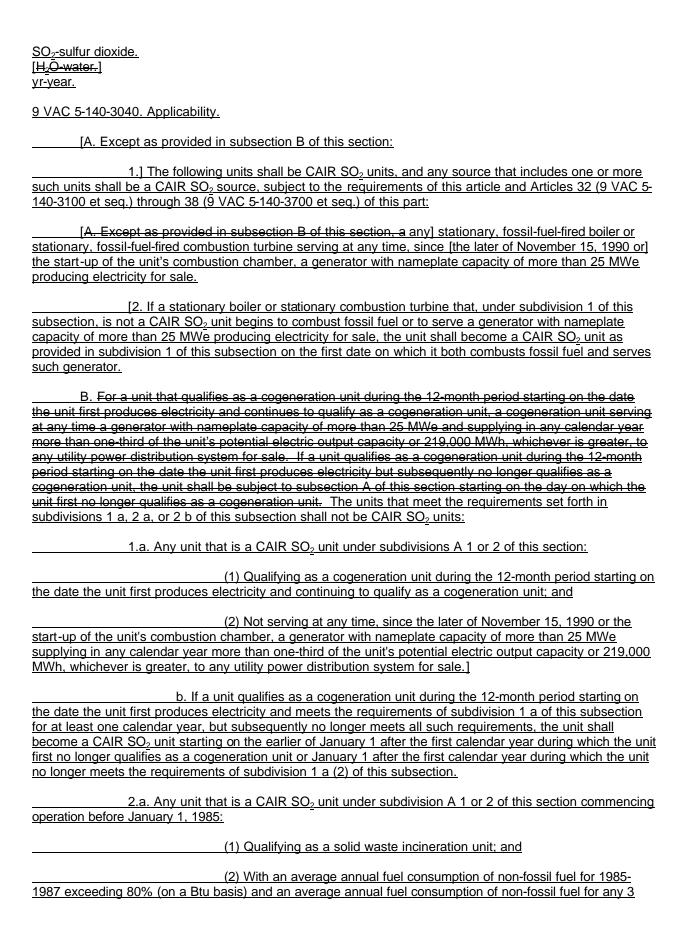


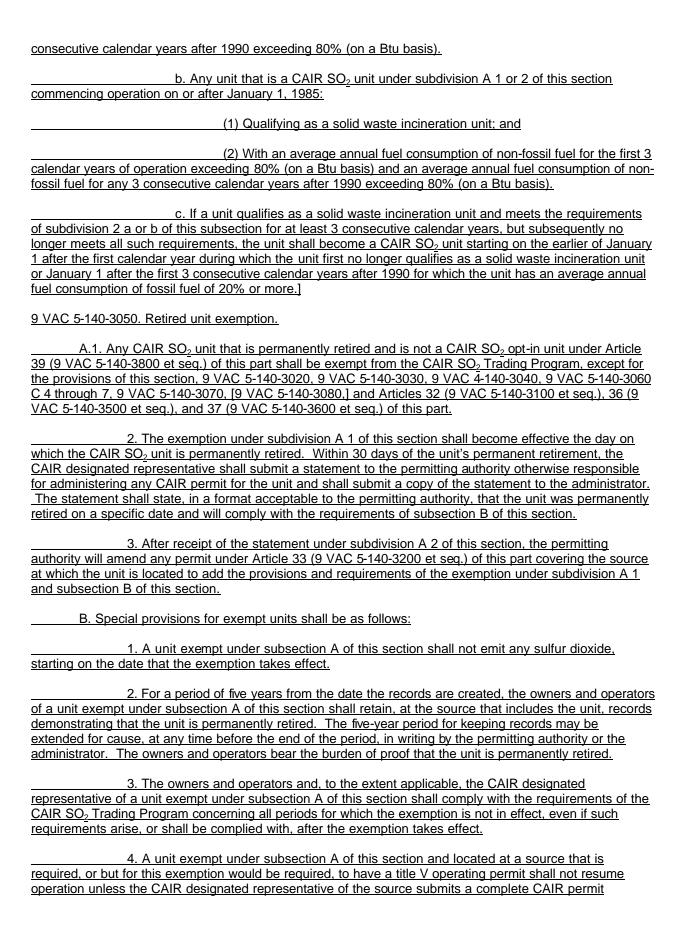


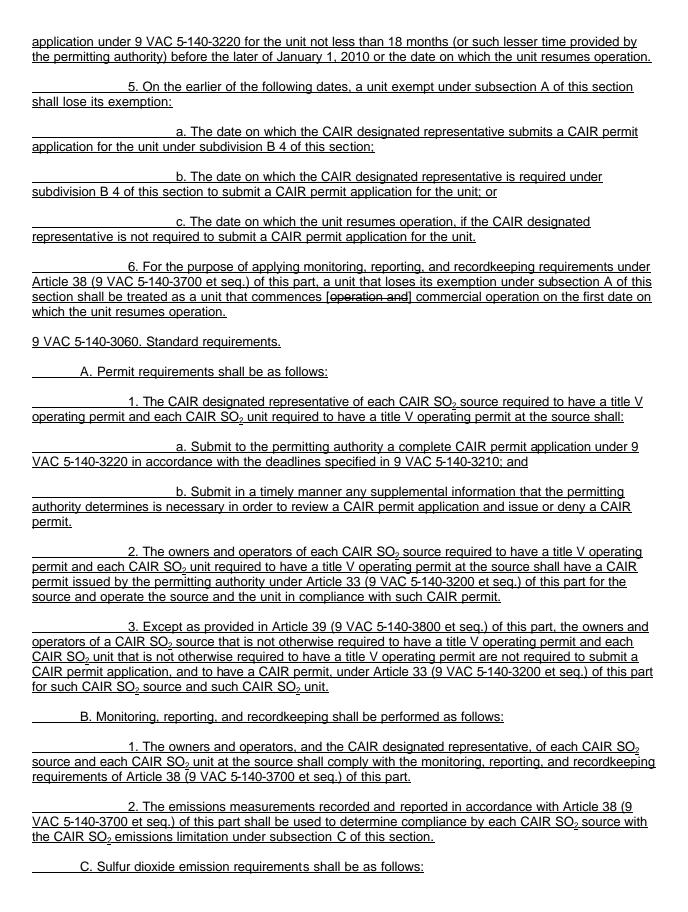


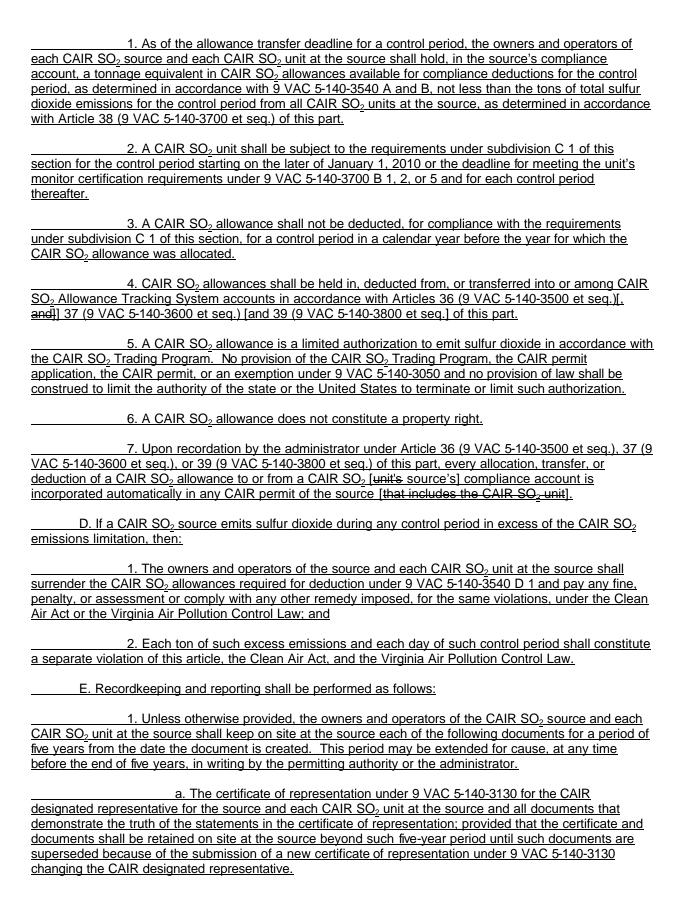


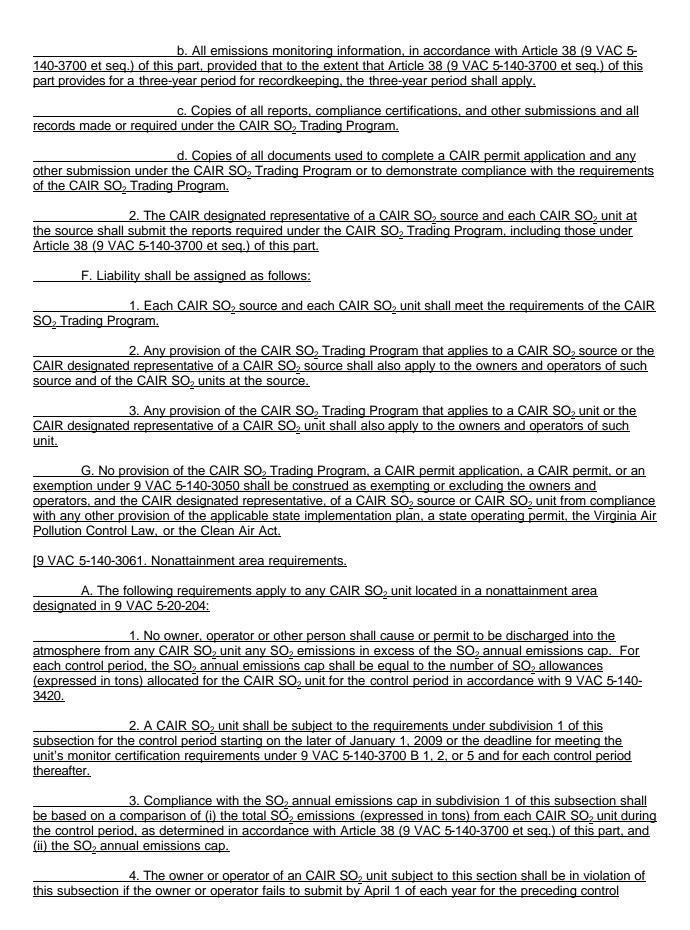
the unit is first used to produce useful power, including electricity, and at least some of the reject heat from the electricity production is then used to provide useful thermal energy.
"Total energy input" means, with regard to a cogeneration unit, total energy of all forms supplied to the cogeneration unit, excluding energy produced by the cogeneration unit itself.
"Total energy output" means, with regard to a cogeneration unit, the sum of useful power and useful thermal energy produced by the cogeneration unit.
"Unit" means a stationary, fossil-fuel-fired boiler or combustion turbine or other stationary, fossil-fuel-fired combustion device.
"Unit operating day" means a calendar day in which a unit combusts any fuel.
"Unit operating hour" or "hour of unit operation" means an hour in which a unit combusts any fuel.
"Useful power" means, with regard to a cogeneration unit, electricity or mechanical energy made available for use, excluding any such energy used in the power production process (which process includes, but is not limited to, any on-site processing or treatment of fuel combusted at the unit and any on-site emission controls).
"Useful thermal energy" means, with regard to a cogeneration unit, thermal energy that is:
1. Made available to an industrial or commercial process (not a power production process), excluding any heat contained in condensate return or makeup water;
2. Used in a heating application (e.g., space heating or domestic hot water heating); or
3. Used in a space cooling application (i.e., thermal energy used by an absorption chiller).
"Utility power distribution system" means the portion of an electricity grid owned or operated by a utility and dedicated to delivering electricity to customers.
9 VAC 5-140-3030. Measurements, abbreviations, and acronyms.
Measurements, abbreviations, and acronyms used in this part are defined as follows:
Btu-British thermal unit.  CO <sub>2</sub> -carbon dioxide.  [NO <sub>x</sub> -nitrogen oxides.]  [H <sub>2</sub> O-water.]  [Hg-mercury]  hr-hour.  kW-kilowatt electrical.  kWh-kilowatt hour.  [Ib-pound]  mmBtu-million Btu.  MWe-megawatt electrical.  MWh-megawatt hour.  [NO <sub>x</sub> -nitrogen oxides.]  O <sub>2</sub> -oxygen.  ppm-parts per million.  [Ib-pound.]  scfh-standard cubic feet per hour.

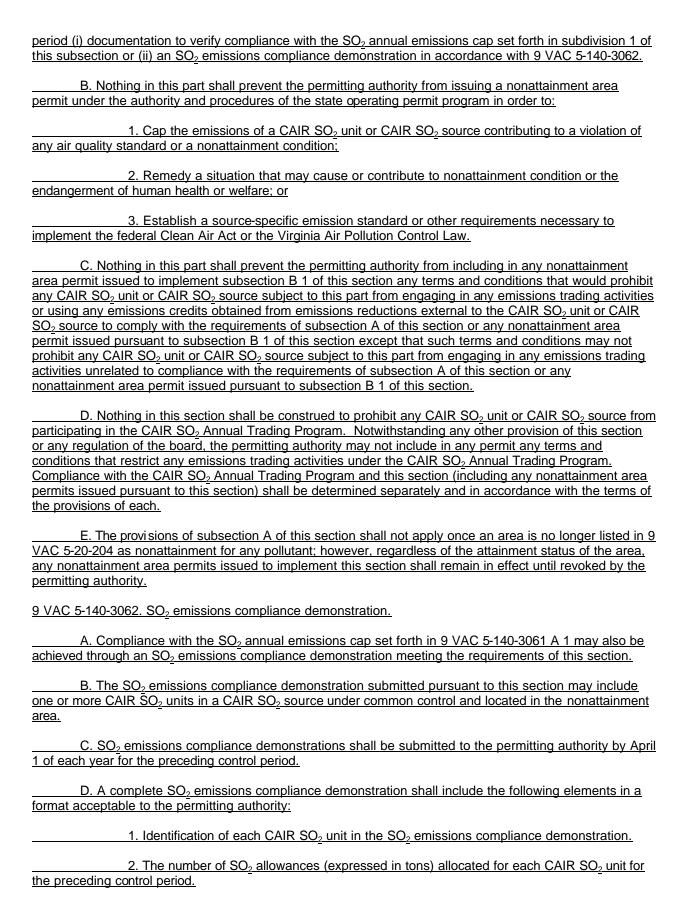










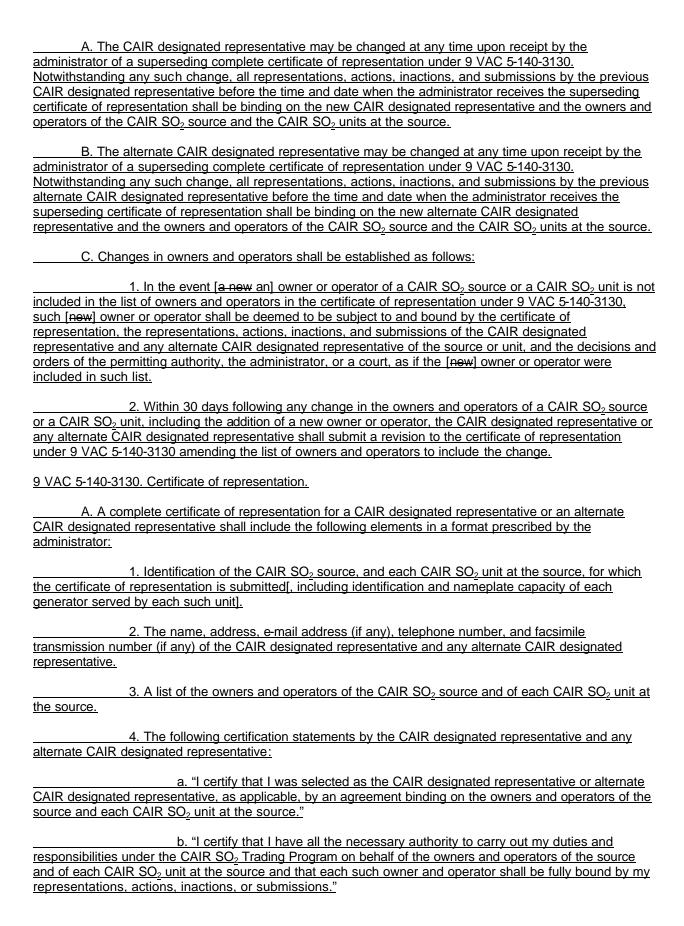


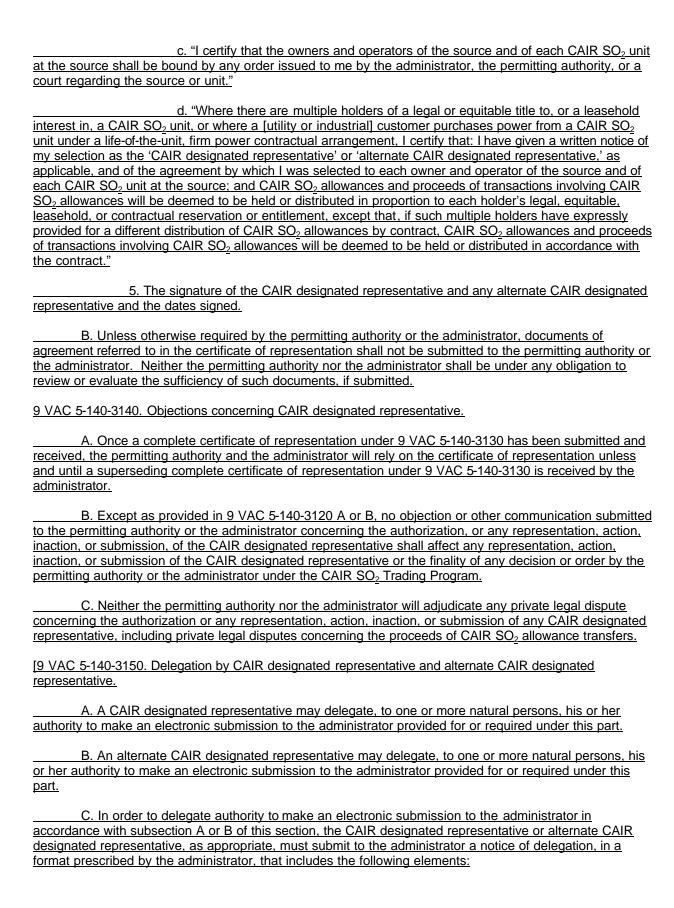
3. The total $SO_2$ emissions (expressed in tons) from each CAIR $SO_2$ unit during the preceding control period.
4. The calculation for the equation in subsection E of this section.
E. Compliance with this section shall be demonstrated with the following equation:
$\frac{\sum_{i=1}^{n} (ASDE_i) \cdot \mathbf{f} \cdot S_{i=1}^{n} (X)}{S_{i=1}}$
where:
n is the number of CAIR $SO_2$ units in the $SO_2$ emissions compliance demonstration (n may equal 1).
S is the sum of all i CAIR SO <sub>2</sub> units.
i is an CAIR SO <sub>2</sub> unit identified in subsection B of this section.
ASDE (Actual Sulfur Dioxide Emissions) are the total SO <sub>2</sub> emissions (expressed in tons) from each CAIR SO <sub>2</sub> unit during the preceding control period, as determined in accordance with Article 38 (9 VAC 5-140-3700 et seq.) of this part.
X is the number of $SO_2$ allowances (expressed in tons) allocated for the CAIR $SO_2$ unit for the preceding control period in accordance with 9 VAC 5-140-3420.
F. The emissions measurements recorded and reported in accordance with Article 38 (9 VAC 5-140-3700 et seq.) of this part shall be used to determine compliance by each CAIR SO <sub>2</sub> source with the SO <sub>2</sub> annual emissions cap set forth in 9 VAC 5-140-3061 A.]
9 VAC 5-140-3070. Computation of time.
A. Unless otherwise stated, any time period scheduled, under the CAIR SO <sub>2</sub> Trading Program, to begin on the occurrence of an act or event shall begin on the day the act or event occurs.
B. Unless otherwise stated, any time period scheduled, under the CAIR $SO_2$ Trading Program, to begin before the occurrence of an act or event shall be computed so that the period ends the day before the act or event occurs.
C. Unless otherwise stated, if the final day of any time period, under the CAIR SO <sub>2</sub> Trading Program, falls on a weekend or a state or federal holiday, the time period shall be extended to the next business day.
9 VAC 5-140-3080. Appeal [Procedures procedures].
The appeal procedures for decisions of the administrator under the CAIR $SO_2$ Trading Program are set forth in 40 CFR Part 78.
Article 32.  CAIR Designated Representative for CAIR SO <sub>2</sub> Sources.
9 VAC 5-140-3100. Authorization and responsibilities of CAIR designated representative.
A. Except as provided under 9 VAC 5-140-3110, each CAIR $SO_2$ source, including all CAIR $SO_2$ units at the source, shall have one and only one CAIR designated representative, with regard to all matters

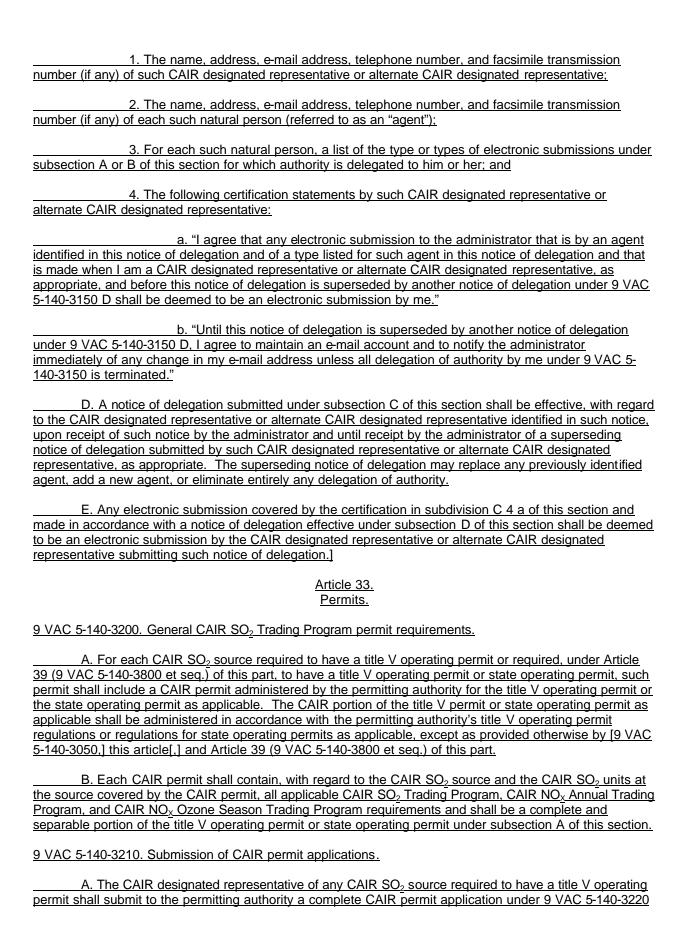
under the CAIR SO<sub>2</sub> Trading Program concerning the source or any CAIR SO<sub>2</sub> unit at the source.

B. The CAIR designated representative of the CAIR SO<sub>2</sub> source shall be selected by an agreement binding on the owners and operators of the source and all CAIR SO<sub>2</sub> units at the source and shall act in accordance with the certification statement in 9 VAC 5-140-3130 A 4 d. C. Upon receipt by the administrator of a complete certificate of representation under 9 VAC 5-140-3130, the CAIR designated representative of the source shall represent and, by the CAIR designated representative's representations, actions, inactions, or submissions, legally bind each owner and operator of the CAIR SO<sub>2</sub> source represented and each CAIR SO<sub>2</sub> unit at the source in all matters pertaining to the CAIR SO<sub>2</sub> Trading Program, notwithstanding any agreement between the CAIR designated representative and such owners and operators. The owners and operators shall be bound by any decision or order issued to the CAIR designated representative by the permitting authority, the administrator, or a court regarding the source or unit. D. No CAIR permit will be issued, no emissions data reports will be accepted, and no CAIR SO<sub>2</sub> Allowance Tracking System account will be established for a CAIR SO2 unit at a source, until the administrator has received a complete certificate of representation under 9 VAC 5-140-3130 for a CAIR designated representative of the source and the CAIR SO<sub>2</sub> units at the source. E.1. Each submission under the CAIR SO<sub>2</sub> Trading Program shall be submitted, signed, and certified by the CAIR designated representative for each CAIR SO<sub>2</sub> source on behalf of which the submission is made. Each such submission shall include the following certification statement by the CAIR designated representative: "I am authorized to make this submission on behalf of the owners and operators of the source or units for which the submission is made. I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment." 2. The permitting authority and the administrator will accept or act on a submission made on behalf of owner or operators of a CAIR SO<sub>2</sub> source or a CAIR SO<sub>2</sub> unit only if the submission has been made, signed, and certified in accordance with subdivision E 1 of this section. 9 VAC 5-140-3110. Alternate CAIR designated representative. A. A certificate of representation under 9 VAC 5-140-3130 may designate one and only one alternate CAIR designated representative, who may act on behalf of the CAIR designated representative. The agreement by which the alternate CAIR designated representative is selected shall include a procedure for authorizing the alternate CAIR designated representative to act in lieu of the CAIR designated representative. B. Upon receipt by the administrator of a complete certificate of representation under 9 VAC 5-140-3130, any representation, action, inaction, or submission by the alternate CAIR designated representative shall be deemed to be a representation, action, inaction, or submission by the CAIR designated representative. C. Except in this section and 9 VAC 5-140-3020, 9 VAC 5-140-3100 A and D, 9 VAC 5-140-3120, 9 VAC 5-140-3130, [9 VAC 5-140-3150,] 9 VAC 5-140-3510, and 9 VAC 5-140-3820, whenever the term "CAIR designated representative" is used in this part, the term shall be construed to include the CAIR designated representative or any alternate CAIR designated representative. 9 VAC 5-140-3120. Changing CAIR designated representative and alternate CAIR designated representative;

changes in owners and operators.



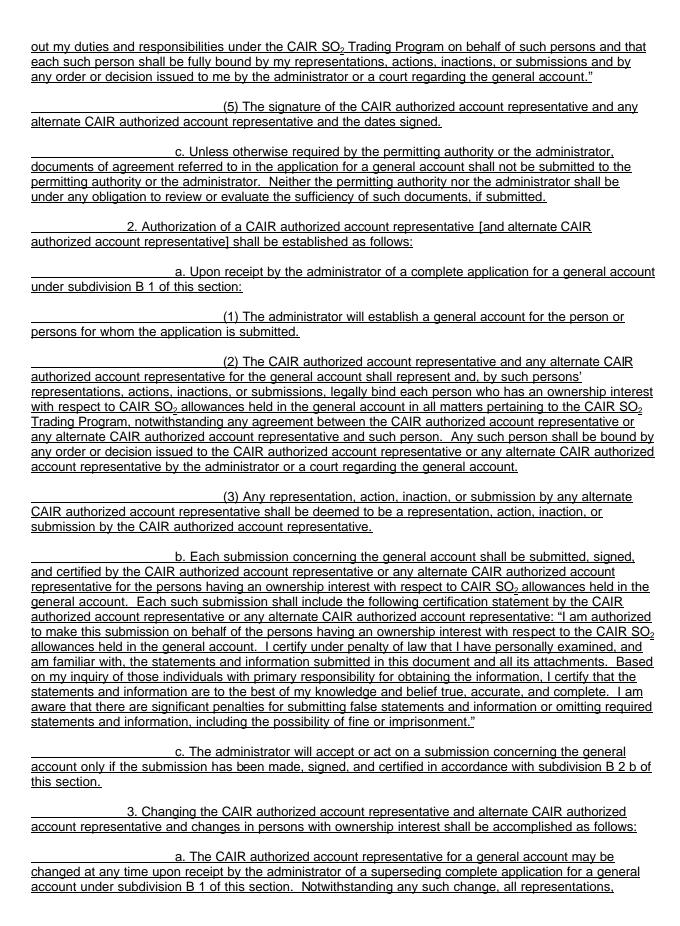


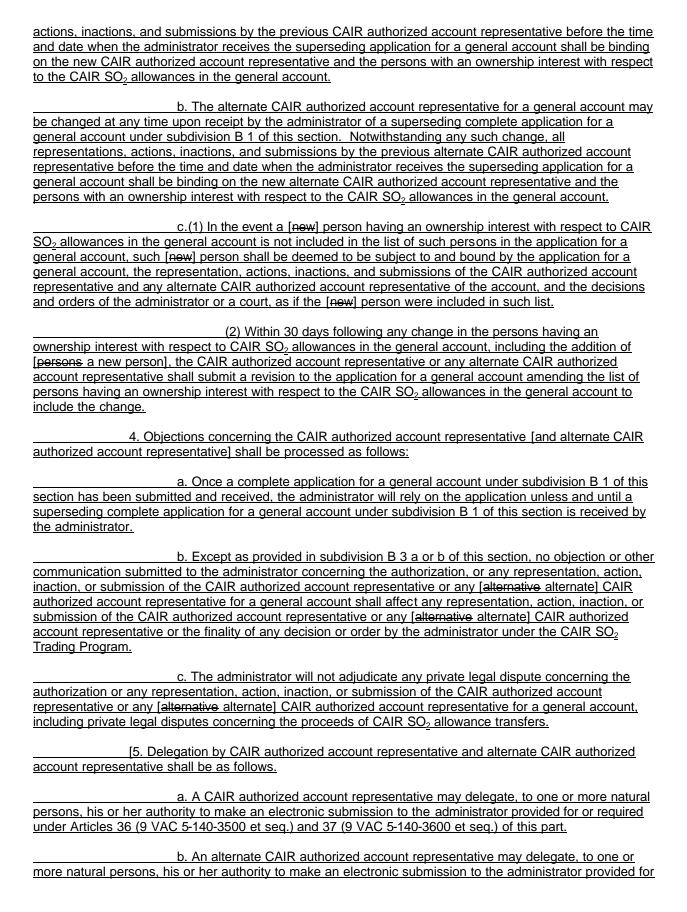


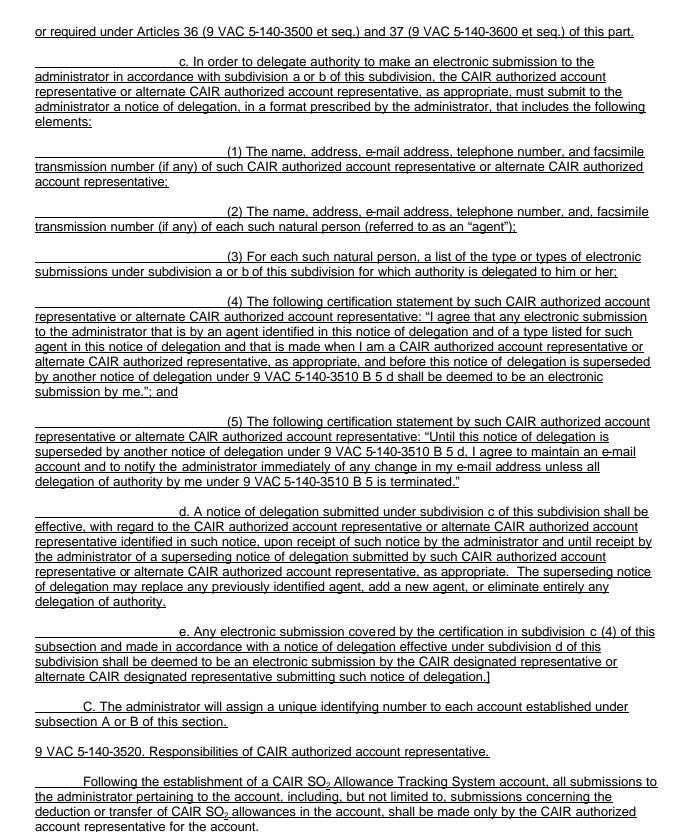
for the source covering each CAIR SO <sub>2</sub> unit at the source at least 18 months (or such lesser time provided by the permitting authority) before the later of January 1, 2010 or the date on which the CAIR SO <sub>2</sub> unit commences [commercial] operation[, except as provided in 9 VAC 5-140-3830 A].
B. For a CAIR SO <sub>2</sub> source required to have a title V operating permit, the CAIR designated representative shall submit a complete CAIR permit application under 9 VAC 5-3220 for the source covering each CAIR SO <sub>2</sub> unit at the source to renew the CAIR permit in accordance with the permitting authority's title V operating permit regulations addressing permit renewal[, except as provided in 9 VAC 5-140-3830 B].
9 VAC 5-140-3220. Information requirements for CAIR permit applications.
A complete CAIR permit application shall include the following elements concerning the CAIR SO <sub>2</sub> source for which the application is submitted, in a format acceptable to the permitting authority:
A. Identification of the CAIR SO <sub>2</sub> source;
B. Identification of each CAIR SO <sub>2</sub> unit at the CAIR SO <sub>2</sub> source; and
C. The standard requirements under 9 VAC 5-140-3060.
9 VAC 5-140-3230. CAIR permit contents and term.
A. Each CAIR permit will contain, in a format acceptable to the permitting authority, all elements required for a complete CAIR permit application under 9 VAC 5-140-3220.
B. Each CAIR permit is deemed to incorporate automatically the definitions of terms under 9 VAC 5-140-3020 and, upon recordation by the administrator under Article 36 (9 VAC 5-140-3500 et seq.), 37 (9 VAC 5-140-3600 et seq.), or 39 (9 VAC 5-140-3800 et seq.) of this part, every allocation, transfer, or deduction of a CAIR SO <sub>2</sub> allowance to or from the compliance account of the CAIR SO <sub>2</sub> source covered by the permit.
C. The term of the CAIR permit will be set by the permitting authority, as necessary to facilitate coordination of the renewal of the CAIR permit with issuance, revision, or renewal of the CAIR SO <sub>2</sub> source's title V operating permit or state operating permit as applicable.
9 VAC 5-140-3240. CAIR permit revisions.
Except as provided in 9 VAC 5-140-3230, the permitting authority will revise the CAIR permit, as necessary, in accordance with the permitting authority's title V operating permit regulations or the permitting authority's regulations for state operating permits as applicable addressing permit revisions.
Article 34. [Reserved].
9 VAC 5-140-3300. [Reserved].
Article 35. [ <del>(Reserved)</del> CAIR SO <sub>2</sub> Allowance Allocations].
9 VAC 5-140-3400. [(Reserved) State trading budgets.
The state trading budgets for annual allocations of CAIR SO <sub>2</sub> allowances for the control periods are
as follows:
A. For use in each control period in 2009 through 2014, the total number of SO <sub>2</sub> tons apportioned to

all CAIR SO<sub>2</sub> units is 63,478. B. For use in each control period in 2015 and thereafter, the total number of SO<sub>2</sub> tons apportioned to all CAIR SO<sub>2</sub> units is 44,435. 9 VAC 5-140-3410. Timing requirements for CAIR SO<sub>2</sub> allowance allocations. The timing requirements for the allocation of CAIR SO<sub>2</sub> allowances shall be in accordance with 40 CFR Part 73. 9 VAC 5-140-3420. CAIR SO<sub>2</sub> allowance allocations. CAIR SO<sub>2</sub> allowances shall be allocated in accordance with 40 CFR Part 73.] Article 36. CAIR SO<sub>2</sub> Allowance Tracking System. 9 VAC 5-140-3500. [Reserved]. 9 VAC 5-140-3510. Establishment of accounts. A. Except as provided in 9 VAC 5-140-3840 E, upon receipt of a complete certificate of representation under 9 VAC 5-140-3130, the administrator will establish a compliance account for the CAIR SO<sub>2</sub> source for which the certificate of representation was submitted, unless the source already has a compliance account. B. General accounts shall be established as follows: 1. Applications for general accounts shall be submitted as follows: a. Any person may apply to open a general account for the purpose of holding and transferring CAIR SO<sub>2</sub> allowances. An application for a general account may designate one and only one CAIR authorized account representative and one and only one alternate CAIR authorized account representative who may act on behalf of the CAIR authorized account representative. The agreement by which the alternate CAIR authorized account representative is selected shall include a procedure for authorizing the alternate CAIR authorized account representative to act in lieu of the CAIR authorized account representative. b. A complete application for a general account shall be submitted to the administrator and shall include the following elements in a format prescribed by the administrator: (1) Name, mailing address, e-mail address (if any), telephone number, and facsimile transmission number (if any) of the CAIR authorized account representative and any alternate CAIR authorized account representative; (2) Organization name and type of organization, if applicable; (3) A list of all persons subject to a binding agreement for the CAIR authorized account representative and any alternate CAIR authorized account representative to represent their ownership interest with respect to the CAIR SO<sub>2</sub> allowances held in the general account; (4) The following certification statement by the CAIR authorized account representative and any alternate CAIR authorized account representative: "I certify that I was selected as the

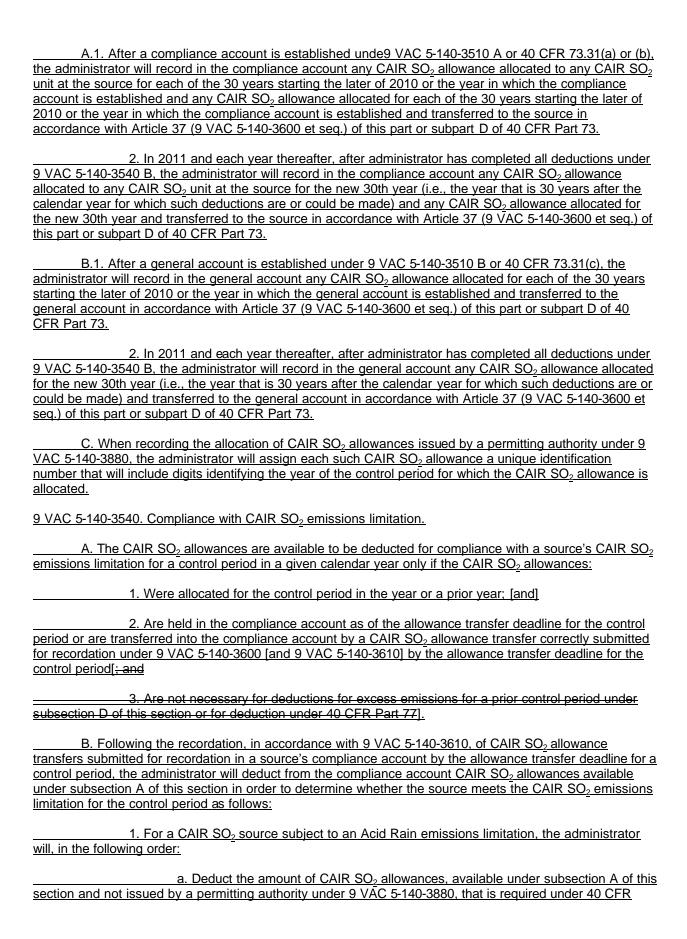
CAIR authorized account representative or the alternate CAIR authorized account representative, as applicable, by an agreement that is binding on all persons who have an ownership interest with respect to CAIR SO<sub>2</sub> allowances held in the general account. I certify that I have all the necessary authority to carry

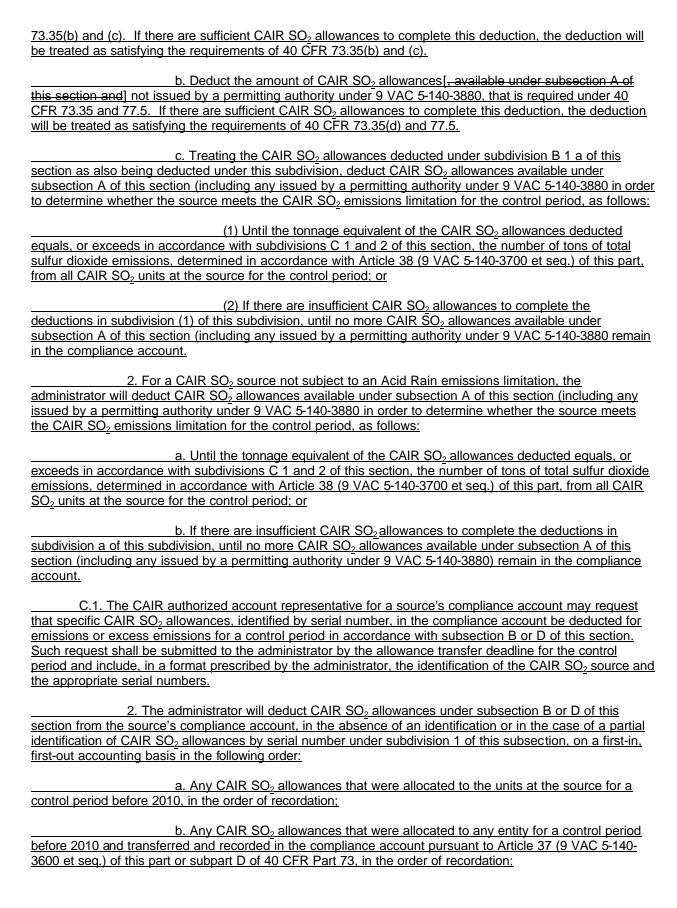


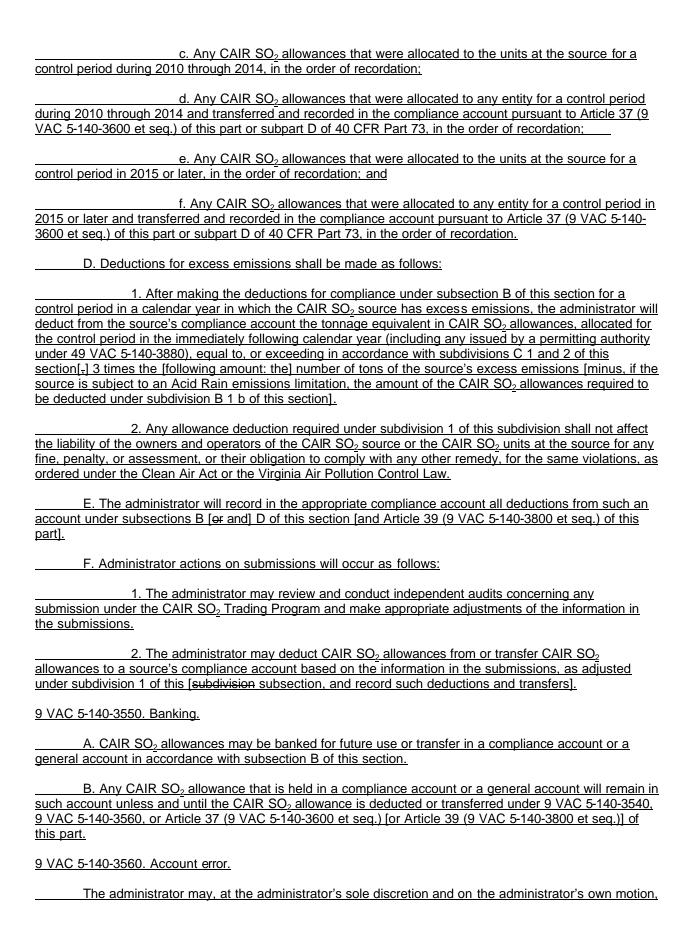




9 VAC 5-140-3530. Recordation of CAIR SO<sub>2</sub> allowances.







correct any error in any CAIR SO<sub>2</sub> Allowance Tracking System account. Within 10 business days of making such correction, the administrator will notify the CAIR authorized account representative for the account.

9 VAC 5-140-3570. Closing of general accounts.

A. The CAIR authorized account representative of a general account may submit to the administrator a request to close the account, which shall include a correctly submitted allowance transfer under 9 VAC 5-140-3600 [and 9 VAC 5-140-3610] for any CAIR SO<sub>2</sub> allowances in the account to one or more other CAIR SO<sub>2</sub> Allowance Tracking System accounts.

B. If a general account has no allowance transfers in or out of the account for a 12-month period or longer and does not contain any CAIR SO<sub>2</sub> allowances, the administrator may notify the CAIR authorized account representative for the account that the account will be closed following 20 business days after the notice is sent. The account will be closed after the 20-day period unless, before the end of the 20-day period, the administrator receives a correctly submitted transfer of CAIR SO<sub>2</sub> allowances into the account under 9 VAC 5-140-3600 [and 9 VAC 5-140-3610] or a statement submitted by the CAIR authorized account representative demonstrating to the satisfaction of the administrator good cause as to why the account should not be closed.

## Article 37. CAIR SO<sub>2</sub> Allowance Transfers.

9 VAC 5-140-3600. Submission of CAIR SO<sub>2</sub> allowance transfers.

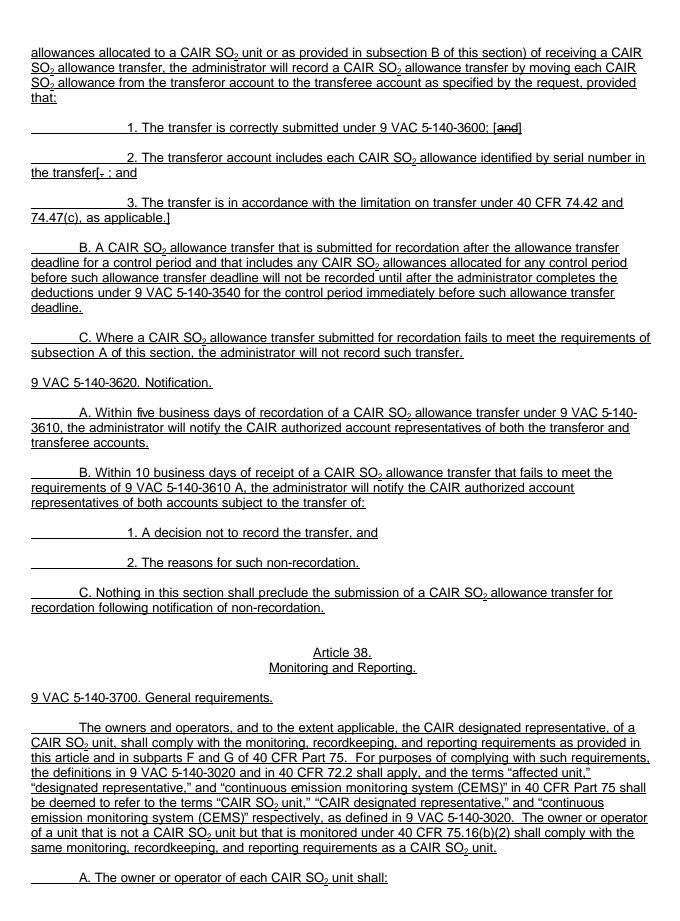
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A. A CAIR authorized account representative seeking recordation of a CAIR SO <sub>2</sub> allowance transfer
shall submit the transfer to the administrator. To be considered correctly submitted, the CAIR SO <sub>2</sub>
allowance transfer shall include the following elements, in a format specified by the administrator:
<ol> <li>The account numbers of both the transferor and transferee accounts;</li> </ol>
2. The serial number of each CAIR SO <sub>2</sub> allowance that is in the transferor account and is to
be transferred; and
<ol><li>The name and signature of the CAIR authorized account representatives of the transferor</li></ol>
and transferee accounts and the dates signed.
B.1. The CAIR authorized account representative for the transferee account can meet the
requirements in subdivision A.2 of this section by submitting in a format prescribed by the administrator a

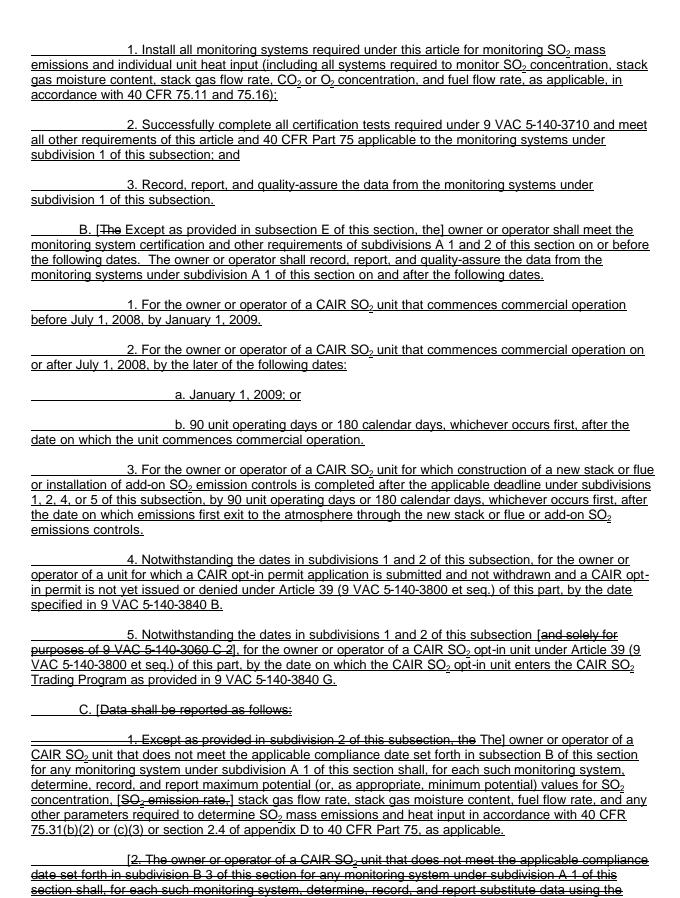
requirements in subdivision A 3 of this section by submitting, in a format prescribed by the administrator, a statement signed by the CAIR authorized account representative and identifying each account into which any transfer of allowances, submitted on or after the date on which the administrator receives such statement, is authorized. Such authorization shall be binding on any CAIR authorized account representative for such account and shall apply to all transfers into the account that are submitted on or after such date of receipt, unless and until the administrator receives a statement signed by the CAIR authorized account representative retracting the authorization for the account.

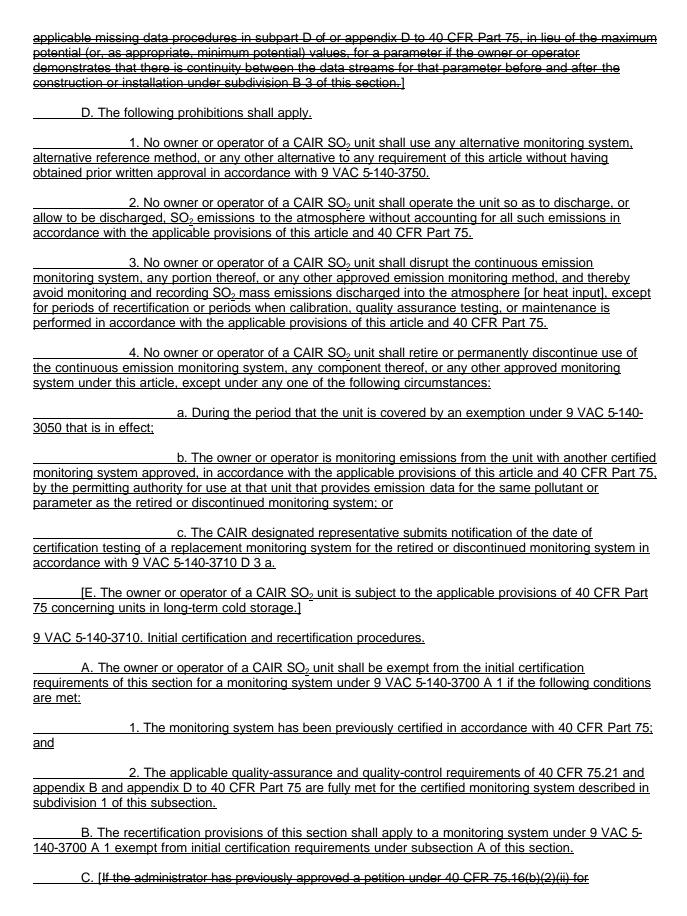
2. The statement under subdivision 1 of this subsection shall include the following: "By this signature I authorize any transfer of allowances into each account listed herein, except that I do not waive any remedies under state or federal law to obtain correction of any erroneous transfers into such accounts. This authorization shall be binding on any CAIR authorized account representative for such account unless and until a statement signed by the CAIR authorized account representative retracting this authorization for the account is received by the administrator."

#### 9 VAC 5-140-3610. EPA recordation.

A. Within five business days (except as necessary to perform a transfer in perpetuity of CAIR SO<sub>2</sub>







apportioning the SO<sub>2</sub> mass emissions measured in a common stack or a petition under 40 CFR 75.66 for an alternative to a requirement in 40 CFR 75.11 or 75.16, the CAIR designated representative shall resubmit the petition to the administrator under 9 VAC 5-140-3750 A to determine whether the approval applies under the CAIR SO<sub>2</sub> Trading Program Reserved]. D. Except as provided in subsection A of this section, the owner or operator of a CAIR SO<sub>2</sub> unit shall comply with the following initial certification and recertification procedures, for a continuous monitoring system (i.e., a continuous emission monitoring system and an excepted monitoring system under appendix D to 40 CFR Part 75) under 9 VAC 5-140-3700 A 1. The owner or operator of a unit that qualifies to use the low mass emissions excepted monitoring methodology under 40 CFR 75.19 or that qualifies to use an alternative monitoring system under subpart E of 40 CFR Part 75 shall comply with the procedures in subsection E or F of this section, respectively. 1. The owner or operator shall ensure that each continuous monitoring system under 9 VAC 5-140-3700 A 1 (including the automated data acquisition and handling system) successfully completes all of the initial certification testing required under 40 CFR 75.20 by the applicable deadline in 9 VAC 5-140-3700 B. In addition, whenever the owner or operator installs a monitoring system to meet the requirements of this article in a location where no such monitoring system was previously installed, initial certification in accordance with 40 CFR 75.20 is required. 2. Whenever the owner or operator makes a replacement, modification, or change in any certified continuous emission monitoring system under 9 VAC 5-140-3700 A 1 that may significantly affect the ability of the system to accurately measure or record SO<sub>2</sub> mass emissions or heat input rate or to meet the quality-assurance and quality-control requirements of 40 CFR 75.21 or appendix B to 40 CFR Part 75, the owner or operator shall recertify the monitoring system in accordance with 40 CFR 75.20(b). Furthermore, whenever the owner or operator makes a replacement, modification, or change to the flue gas handling system or the unit's operation that may significantly change the stack flow or concentration profile, the owner or operator shall recertify each continuous emission monitoring system whose accuracy is potentially affected by the change, in accordance with 40 CFR 75.20(b). Examples of changes to a continuous emission monitoring system that require recertification include: replacement of the analyzer, complete replacement of an existing continuous emission monitoring system, or change in location or orientation of the sampling probe or site. Any fuel flowmeter system under 9 VAC 5-140-3700 A 1 is subject to the recertification requirements in 40 CFR 75.20(g)(6). 3. Subdivisions a through d of this subdivision apply to both initial certification and recertification of a continuous monitoring system under 9 VAC 5-140-3700 A 1. For recertifications, replace the words "certification" and "initial certification" with the word "recertification," replace the word "certified" with the word "recertified," and follow the procedures in 40 CFR 75.20(b)(5) and (g)(7) in lieu of the procedures in subdivision e of this subdivision. a. The CAIR designated representative shall submit to the permitting authority, the EPA Region III Office, and the administrator written notice of the dates of certification testing, in accordance with 9 VAC 5-140-3730. b. The CAIR designated representative shall submit to the permitting authority a certification application for each monitoring system. A complete certification application shall include the information specified in 40 CFR 75.63.

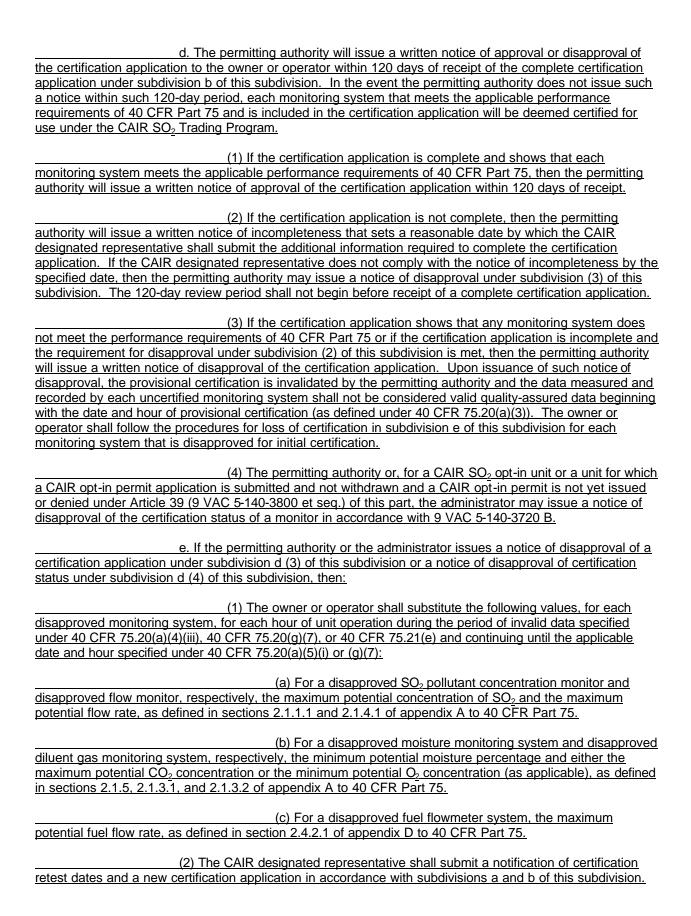
accordance with 40 CFR 75.20(a)(3). A provisionally certified monitoring system may be used under the CAIR SO<sub>2</sub> Trading Program for a period not to exceed 120 days after receipt by the permitting authority of the complete certification application for the monitoring system under subdivision b of this subdivision. Data

requirements of 40 CFR Part 75, will be considered valid quality-assured data (retroactive to the date and time of provisional certification), provided that the permitting authority does not invalidate the provisional certification by issuing a notice of disapproval within 120 days of the date of receipt of the complete

measured and recorded by the provisionally certified monitoring system, in accordance with the

certification application by the permitting authority.

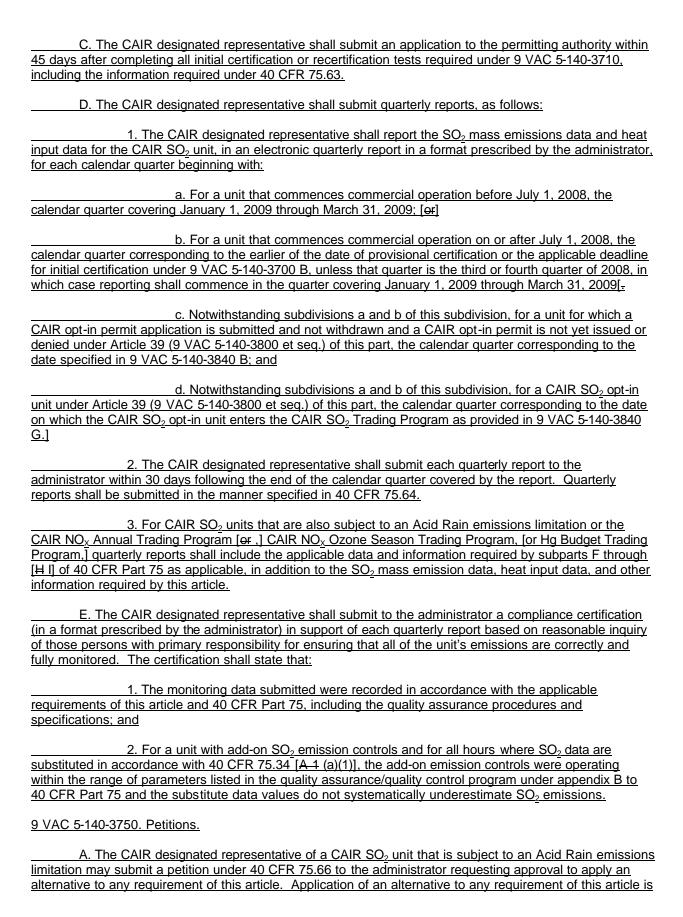
c. The provisional certification date for a monitoring system shall be determined in



(3) The owner or operator shall repeat all certification tests or other requirements that were failed by the monitoring system, as indicated in the permitting authority's or the administrator's notice of disapproval, no later than 30 unit operating days after the date of issuance of the notice of disapproval.
E. The owner or operator of a unit qualified to use the low mass emissions (LME) excepted methodology under 40 CFR 75.19 shall meet the applicable certification and recertification requirements in 40 CFR 75.19(a)(2) and 75.20(h). If the owner or operator of such a unit elects to certify a fuel flowmeter system for heat input determination, the owner or operator shall also meet the certification and recertification requirements in 40 CFR 75.20(g).
F. The CAIR designated representative of each unit for which the owner or operator intends to use an alternative monitoring system approved by the administrator and, if applicable, the permitting authority under subpart E of 40 CFR Part 75 shall comply with the applicable notification and application procedures of 40 CFR 75.20(f).
9 VAC 5-140-3720. Out of control periods.
A. Whenever any monitoring system fails to meet the quality assurance and quality control requirements or data validation requirements of 40 CFR Part 75, data shall be substituted using the applicable missing data procedures in subpart D of or appendix D to 40 CFR Part 75.
B. Whenever both an audit of a monitoring system and a review of the initial certification or recertification application reveal that any monitoring system should not have been certified or recertified because it did not meet a particular performance specification or other requirement under 9 VAC 5-140-3710 or the applicable provisions of 40 CFR Part 75, both at the time of the initial certification or recertification application submission and at the time of the audit, the permitting authority or, for a CAIR SO <sub>2</sub> opt-in unit or a unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under Article 39 (9 VAC 5-140-3800 et seq.) of this part, the administrator will issue a notice of disapproval of the certification status of such monitoring system. For the purposes of this subsection, an audit shall be either a field audit or an audit of any information submitted to the permitting authority or the administrator. By issuing the notice of disapproval, the permitting authority or the administrator revokes prospectively the certification status of the monitoring system. The data measured and recorded by the monitoring system shall not be considered valid quality-assured data from the date of issuance of the notification of the revoked certification status until the date and time that the owner or operator completes subsequently approved initial certification or recertification procedures in 9 VAC 5-140-3710 for each disapproved monitoring system.
9 VAC 5-140-3730. Notifications.
The CAIR designated representative for a CAIR SO <sub>2</sub> unit shall submit written notice to the permitting authority and the administrator in accordance with 40 CFR 75.61[, except that if the unit is not subject to an Acid Rain emissions limitation, the notification is only required to be sent to the permitting authority].
9 VAC 5-140-3740. Recordkeeping and reporting.
A. The CAIR designated representative shall comply with all recordkeeping and reporting requirements in this section, the applicable recordkeeping and reporting requirements in subparts F and G of 40 CFR Part 75, and the requirements of 9 VAC 5-140-3100 E 1.
B. The owner or operator of a CAIR SO <sub>2</sub> unit shall comply with requirements of 40 CFR 75.62 and,

for a unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under Article 39 (9 VAC 5-140-3800 et seq.) of this part, 9 VAC 5-140-3830 and

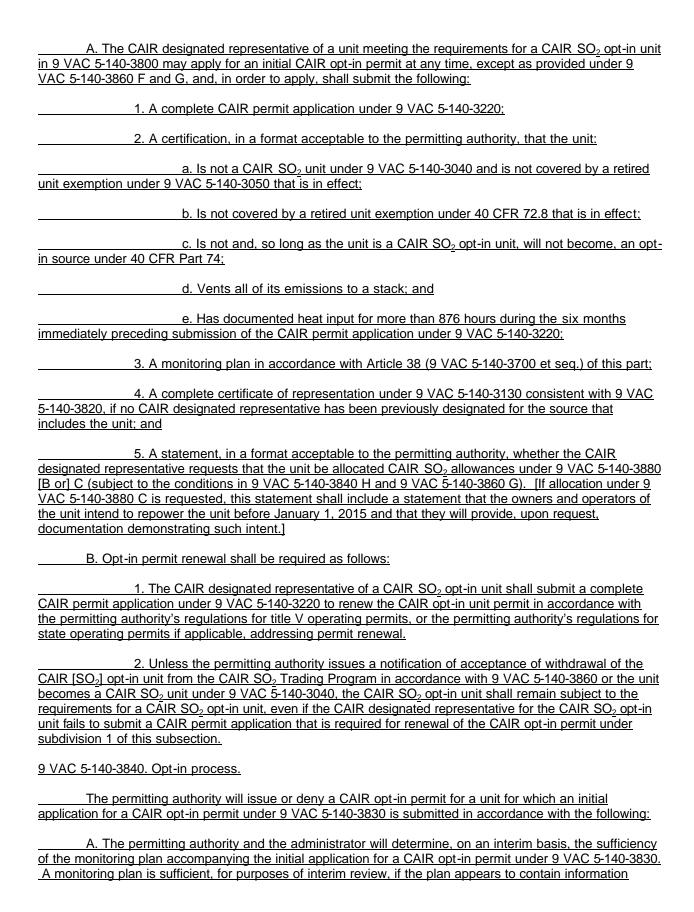
9 VAC 5-140-3840 A.

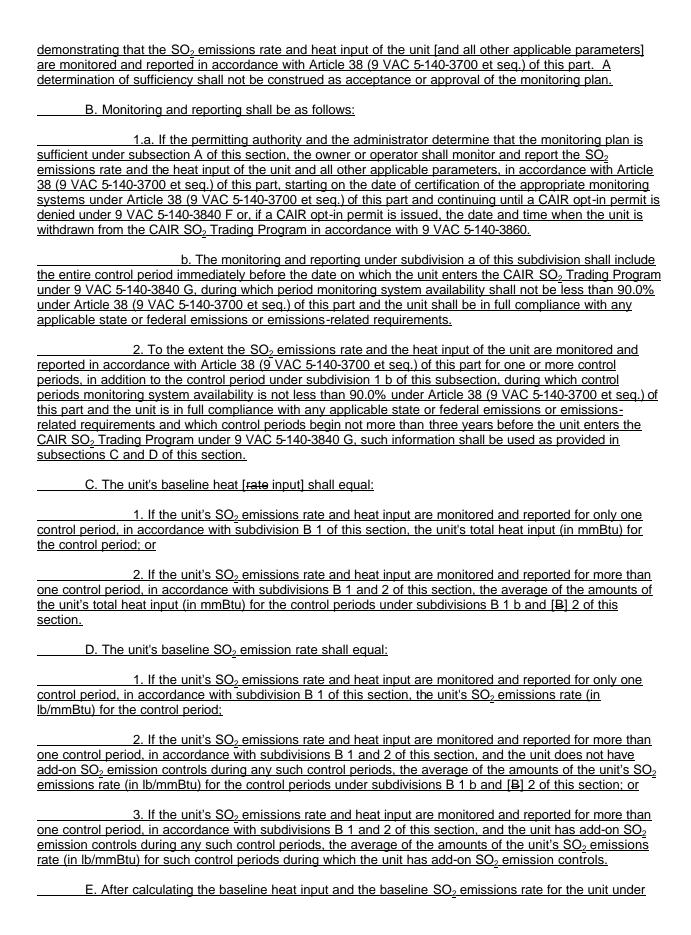


in accordance with this article only to the extent that the petition is approved in writing by the administrator, in consultation with the permitting authority. B. The CAIR designated representative of a CAIR SO<sub>2</sub> unit that is not subject to an Acid Rain emissions limitation may submit a petition under 40 CFR 75.66 to the permitting authority and the administrator requesting approval to apply an alternative to any requirement of this article. Application of an alternative to any requirement of this article is in accordance with this article only to the extent that the petition is approved in writing by both the permitting authority and the administrator. 19 VAC 5-140-3760. Additional requirements to provide heat input data. The owner or operator of a CAIR SO2 unit that monitors and reports SO2 mass emissions using a SO<sub>2</sub> concentration system and a flow system shall also monitor and report heat input rate at the unit level using the procedures set forth in 40 CFR Part 75.] Article 39. CAIR SO<sub>2</sub> Opt-in Units. 9 VAC 5-140-3800. Applicability. A CAIR SO<sub>2</sub> opt-in unit shall be a unit that: A. Is located in the state; B. Is not a CAIR SO<sub>2</sub> unit under 9 VAC 5-140-3040 and is not covered by a retired unit exemption under 9 VAC 5-140-3050 that is in effect: C. Is not covered by a retired unit exemption under 40 CFR 72.8 that is in effect and is not an opt-in source under 40 CFR Part 74: D. Has or is required or qualified to have a title V operating permit or state operating permit; and E. Vents all of its emissions to a stack and can meet the monitoring, recordkeeping, and reporting requirements of Article 38 (9 VAC 5-140-3700 et seg.) of this part. 9 VAC 5-140-3810. General. A. Except as otherwise provided in 9 VAC 5-140-3010 through 9 VAC 5-140-3040, 9 VAC 5-140-3060 through 9 VAC 5-140-3080, and Articles 32 (9 VAC 5-140-3100 et seq.), 33 (9 VAC 5-140-3200 et seq.), 36 (9 VAC 5-140-3500 et seq.), 37 (9 VAC 5-140-3600 et seq.), and 38 (9 VAC 5-140-3700 et seq.) of this part, a CAIR SO<sub>2</sub> opt-in unit shall be treated as a CAIR SO<sub>2</sub> unit for purposes of applying such sections and articles of this part. B. Solely for purposes of applying, as provided in this article, the requirements of Article 38 (9 VAC 5-140-3700 et seq.) of this part to a unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not yet issued or denied under this article, such unit shall be treated as a CAIR SO<sub>2</sub> unit before issuance of a CAIR opt-in permit for such unit. 9 VAC 5-140-3820. CAIR designated representative. Any CAIR SO<sub>2</sub> opt-in unit, and any unit for which a CAIR opt-in permit application is submitted and not withdrawn and a CAIR opt-in permit is not vet issued or denied under this article, located at the same source as one or more CAIR SO<sub>2</sub> units shall have the same CAIR designated representative and alternate

9 VAC 5-140-3830. Applying for CAIR opt-in permit.

CAIR designated representative as such CAIR SO<sub>2</sub> units.





subsections C and D of this section and if the permitting authority determines that the CAIR designated representative shows that the unit meets the requirements for a CAIR SO<sub>2</sub> opt-in unit in 9 VAC 5-140-3800 and meets the elements certified in 9 VAC 5-140-3830 A 2, the permitting authority will issue a CAIR opt-in permit. The permitting authority will provide a copy of the CAIR opt-in permit to the administrator, who will then establish a compliance account for the source that includes the CAIR SO<sub>2</sub> opt-in unit unless the source already has a compliance account. F. Notwithstanding subsections A through E of this section, if at any time before issuance of a CAIR opt-in permit for the unit, the permitting authority determines that the CAIR designated representative fails to show that the unit meets the requirements for a CAIR SO<sub>2</sub> opt-in unit in 9 VAC 5-140-3800 or meets the elements certified in 9 VAC 5-140-3830 A 2, the permitting authority will issue a denial of a CAIR [\$\omega\_2\$] opt-in permit for the unit. G. A unit for which an initial CAIR opt-in permit is issued by the permitting authority shall become a CAIR SO<sub>2</sub> opt-in unit, and a CAIR SO<sub>2</sub> unit, as of the later of January 1, 2010 or January 1 of the first control period during which such CAIR opt-in permit is issued. H. Repowered CAIR SO<sub>2</sub> opt-in units shall meet the following requirements. 1. If the CAIR designated representative requests, and the permitting authority issues a CAIR opt-in permit providing for, allocation to a CAIR SO<sub>2</sub> opt-in unit of CAIR SO<sub>2</sub> allowances under 9 VAC 5-140-3880 C and such unit is repowered after its date of entry into the CAIR SO<sub>2</sub> Trading Program under subsection G of this section, the repowered unit shall be treated as a CAIR SO<sub>2</sub> opt-in unit replacing the original CAIR SO<sub>2</sub> opt-in unit, as of the date of start-up of the repowered unit's combustion chamber. 2. Notwithstanding subsections C and D of this section, as of the date of start-up under subdivision 1 of this subsection, the repowered unit shall be deemed to have the same date of commencement of operation, date of commencement of commercial operation, baseline heat input, and baseline SO<sub>2</sub> emission rate as the original CAIR SO<sub>2</sub> opt-in unit, and the original CAIR SO<sub>2</sub> opt-in unit shall no longer be treated as a CAIR [SO<sub>2</sub>] opt-in unit or a CAIR SO<sub>2</sub> unit. 9 VAC 5-140-3850. CAIR opt-in permit contents. A. Each CAIR opt-in permit will contain: 1. All elements required for a complete CAIR permit application under 9 VAC 5-140-3220; 2. The certification in 9 VAC 5-140-3830 A 2; 3. The unit's baseline heat input under 9 VAC 5-140-3840 C; 4. The unit's baseline SO<sub>2</sub> emission rate under 9 VAC 5-140-3840 D; 5. A statement whether the unit is to be allocated CAIR SO<sub>2</sub> allowances under 9 VAC 5-140-3880 [B or] C (subject to the conditions in 9 VAC 5-140-3840 H and 9 VAC 5-140-3860 G); 6. A statement that the unit may withdraw from the CAIR SO<sub>2</sub> Trading Program only in

B. Each CAIR opt-in permit is deemed to incorporate automatically the definitions of terms under 9 VAC 5-140-3020 and, upon recordation by the administrator under Articles 36 (9 VAC 5-140-3500 et seq.)[, or] 37 (9 VAC 5-140-3600 et seq.)[, or 39 (9 VAC 5-140-3800 et seq.)] of this part or this [subpart article], every allocation, transfer, or deduction of CAIR SO<sub>2</sub> allowances to or from the compliance account of the source that includes a CAIR SO<sub>2</sub> opt-in unit covered by the CAIR opt-in permit.

7. A statement that the unit is subject to, and the owners and operators of the unit shall

accordance with 9 VAC 5-140-3860; and

comply with, the requirements of 9 VAC 5-140-3870.

the CAIR permit for the source where the CAIR [SO<sub>2</sub>] opt-in unit is located [and in a title V operating permit or state operating permit for the source. 9 VAC 5-140-3860. Withdrawal from CAIR SO<sub>2</sub> Trading Program. Except as provided under subsection G of this section, a CAIR SO<sub>2</sub> opt-in unit may withdraw from the CAIR SO<sub>2</sub> Trading Program, but only if the permitting authority issues a notification to the CAIR designated representative of the CAIR SO<sub>2</sub> opt-in unit of the acceptance of the withdrawal of the CAIR SO<sub>2</sub> opt-in unit in accordance with subsection D of this section. A. In order to withdraw a CAIR [SO<sub>2</sub>] opt-in unit from the CAIR SO<sub>2</sub> Trading Program, the CAIR designated representative of the CAIR SO<sub>2</sub> opt-in unit shall submit to the permitting authority a request to withdraw effective as of midnight of December 31 of a specified calendar year, which date must be at least four years after December 31 of the year of entry into the CAIR SO<sub>2</sub> Trading Program under 9 VAC 5-140-3840 G. The request shall be submitted no later than 90 days before the requested effective date of withdrawal. B. Before a CAIR SO<sub>2</sub> opt-in unit covered by a request under subsection A of this section may withdraw from the CAIR SO<sub>2</sub> Trading Program and the CAIR opt-in permit may be terminated under subsection E of this section, the following conditions must be met: 1. For the control period ending on the date on which the withdrawal is to be effective, the source that includes the CAIR SO<sub>2</sub> opt-in unit must meet the requirement to hold CAIR SO<sub>2</sub> allowances under 9 VAC 5-140-3060 and must not have any excess emissions. 2. After the requirement for withdrawal under subdivision 1 of this subsection is met, the administrator will deduct from the compliance account of the source that includes the CAIR SO<sub>2</sub> opt-in unit CAIR SO<sub>2</sub> allowances equal in amount to and allocated for the same or a prior control period as any CAIR SO<sub>2</sub> allowances allocated to the CAIR SO<sub>2</sub> opt-in unit under 9 VAC 5-140-3880 for any control period for which the withdrawal is to be effective. If there are no remaining CAIR SO<sub>2</sub> units at the source, the administrator will close the compliance account, and the owners and operators of the CAIR SO<sub>2</sub> opt-in unit may submit a CAIR SO<sub>2</sub> allowance transfer for any remaining CAIR SO<sub>2</sub> allowances to another CAIR SO<sub>2</sub> Allowance Tracking System in accordance with Article 37 (9 VAC 5-140-3600 et seq.) of this part. C. Notification shall be performed as follows: 1. After the requirements for withdrawal under subsections A and B of this section are met (including deduction of the full amount of CAIR SO<sub>2</sub> allowances required), the permitting authority will issue a notification to the CAIR designated representative of the CAIR SO<sub>2</sub> opt-in unit of the acceptance of the withdrawal of the CAIR SO<sub>2</sub> opt-in unit as of midnight on December 31 of the calendar year for which the withdrawal was requested. 2. If the requirements for withdrawal under subsections A and B of this section are not met, the permitting authority will issue a notification to the CAIR designated representative of the CAIR SO<sub>2</sub> opt-in unit that the CAIR SO<sub>2</sub> opt-in unit's request to withdraw is denied. Such CAIR SO<sub>2</sub> opt-in unit shall continue to be a CAIR SO<sub>2</sub> opt-in unit. D. After the permitting authority issues a notification under subdivision C 1 of this subsection that the requirements for withdrawal have been met, the permitting authority will revise the CAIR permit covering the CAIR SO<sub>2</sub> opt-in unit to terminate the CAIR opt-in permit for such unit as of the effective date specified under subdivision C 1 of this subsection. The unit shall continue to be a CAIR SO<sub>2</sub> opt-in unit until the effective date of the termination and shall comply with all requirements under the CAIR SO<sub>2</sub> Trading Program concerning any control periods for which the unit is a CAIR SO<sub>2</sub> opt-in unit, even if such requirements arise or shall be complied with after the withdrawal takes effect.

C. The CAIR opt-in permit shall be included, in a format acceptable to the permitting authority, in

